



APRIL 3, 1996

OIG REPORT NO. 96-46(H)

MEMORANDUM FOR FEDERAL CO-CHAIRMAN
EXECUTIVE DIRECTOR

SUBJECT: Memorandum Survey Report--Review of J-1 Visa Waiver Program in Appalachian South Carolina (North Hills Medical Center, Greenville)

BACKGROUND

This review was undertaken as part of a survey of J-1 visa waiver program operations in the Appalachian Region.

The J-1 visa waiver program provides a waiver of the requirement for a foreign physician to return to his/her home country after completion of medical training in the United States. The Appalachian Regional Commission (ARC) participates as a Federal entity sponsor to assist Appalachian Region communities in providing health care services to medically underserved areas. The applicable ARC policies and procedures require J-1 physicians to practice 40 hours of primary care per week in a designated Health Profession Shortage Area (HPSA) in the Appalachian Region. The ARC program initially required the physicians to serve at least two years; however, in August 1995 the minimum was changed to three years (unless a state requires a longer period.) There is no prohibition on J-1 physicians working extra hours or practicing subspecialties after fulfilling primary care requirements.

Although primary responsibilities for reviewing J-1 visa waiver requests, including supporting documentation, justifications of need, program oversight, and reporting, have been delegated to state health agencies, ARC retains the authority to act on waiver requests and to ensure compliance with program objectives and requirements.

OBJECTIVE

The objective of our review was to determine compliance with ARC J-1 visa waiver program requirements that J-1 physicians perform primary care services in an Appalachian HPSA for 40 hours per week.

RESULTS

We made unannounced visits to two North Hills Medical Center facilities in Greenville, South Carolina to review the status of four J-1 physicians (see Appendix). We located all of the physicians and three of the four indicated they were performing primary care services for a minimum of 40 hours per week. One physician indicated that he works more than 40 hours per week but also practices his subspecialty (cardiology) in addition to primary care. The employer and another J-1 confirmed that other physicians frequently refer more seriously ill patients to the cardiologist because of his expertise and because his primary office is located in a facility with a laboratory and extensive testing equipment. The employer also noted that they have a full-time cardiologist at the same location who is not a J-1.

All of the J-1 physicians have bonus clauses in their employment contracts based on minimum annual billing amounts. However, their employer indicated that it is difficult for a physician to qualify for a bonus because they have so many Medicaid and Medicare patients that are billed at lower rates. The only J-1 physician who is in a bonus situation is the cardiologist. Some of the procedures he does are billed at higher rates such as echocardiograms which cost \$80-\$100 and cardiac catheterizations which cost \$1800-\$2500.

According to the employer, the only facilities in the area accepting Medicaid patients at the present time are the four North Hills clinics and the two local hospitals. In addition to the J-1 physicians, North Hills also has eight American doctors and five physician assistants.


The employer also included a clause in each physician's contract allowing him to withhold \$20,000 per year from their salary until the end of the contract period. The employer told us that at one time he also included a non-compete clause in his contracts to prevent physicians from fulfilling their ARC agreement and then establishing a competing practice. He said he put the clause in at the advice of his counsel but has since removed it.

Two of the physicians have 3-year employment contracts and two have 4-year contracts. All of the J-1 physicians we interviewed indicated they are satisfied with their employment. We noted during our preliminary review that ARC files contain J-1 Visa Physician Reporting Forms for two J-1s hired in 1995 but not for three that were hired in 1994.

CONCLUSION AND RECOMMENDATIONS

Our field visit concluded that the J-1 physicians were performing in accordance with the provisions of the J-1 waiver program. However, we recommend that ARC remind the employer that the noted

J-1 physician should assure that primary care constitutes the major portion of his practice. We also recommend that ARC follow up with physicians to ensure that ARC reporting forms are submitted timely, and institute a control at ARC Headquarters to identify instances where reporting forms are not submitted within 60 days by approved J-1 physicians and assure timely follow up to determine the physician status.


Hubert N. Sparks
Inspector General

NORTH HILLS MEDICAL CENTER
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NAME	PRACTICE	START DATE
Jay Kantilal Patel	Internal Medicine/Cardiology	10/94
Minal Patel	Internal Medicine	10/94
Nitin Gaikwad	Internal Medicine	8/95
Mohammad Rashid	Internal Medicine	8/95

Note: In 1995, one other J-1 physician transferred from North Hills Medical Center to Med Central, Inc., Anderson, South Carolina.